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## Mexico

### Dairy and Products

## Mexico Announces the TRQ for Milk Powder Imports from WTO Member Countries

**2008**

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**Report Highlights:**

On February 6, 2008, Mexico's Secretariat of Economy (SE) announced it will allow a total of 80,000 metric tons (MT) of milk powder to be imported duty-free from Most Favored Nations (MFN) as part of its World Trade Organization (WTO) commitments for 2008. Of this amount, 48,000 MT is allocated to the public sector, 29,086.4 MT is allocated to the private industrial sector and 2,913.6 MT is allocated specifically to the Southern Border Region.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Voluntary Report  
Mexico City [MX1]  
[MX]

**Introduction:** This report summarizes the official announcement published in Mexico's "*Diario Oficial*" (Federal Register) on February 6, 2008.

**Disclaimer:** This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

**FAS/Mexico's Executive Summary:** The Secretariat of Economy (SE) announced in the "*Diario Oficial*" (Federal Register) the TRQ for milk powder as part of its WTO commitments. This announcement recognizes that domestic milk powder production is insufficient to meet the needs of domestic milk powder processors. This TRQ is in effect until December 31, 2008.

H.S. Number and Product	MFN TRQ for 2008
0402.10.01 Milk in powder or tablets, containing not over 1.5 percent by weight of butterfat. Without sugars or sweeteners	80,000 MT
0402.21.01 Milk in powder or tablets, containing over 1.5 percent by weight of butterfat. Without sugars or sweeteners	

The mechanism through which the TRQ will be allocated is:

Beneficiaries	Allocation Mechanism	Quantity (MT)	Application Period
<b>A)</b> Public Sector Businesses	Direct	48,000	February 9, 2008 up to November 30, 2008.
<b>B)</b> Private Industrial Sector Businesses that use milk powder as an input and have previously received TRQ allocations.	Direct	28,086.4	1) February 9, 2008 up to March 10, 2008. 2) 10 business days from August 15, 2008.
<b>C)</b> Private Industrial Sector Business that uses powder milk as an input and have not previously received TRQ allocations.	Direct	1,000	1) February 9, 2008 up to March 10, 2008. 2) 10 business days from the first business day of August 2008.
<b>D)</b> Business parties that area Border Registered Enterprise, located in Quintana Roo state or in the Southern Border Region with Guatemala.	Direct	2,913.6	February 9, 2008 up to, February 29, 2008.

Direct allocation will be authorized to companies who use milk powder in their production processes. The applications for the request of allocation of the “*cupos*” (import permits) must be submitted in form SE-03-011-1 at the General Directorate of Foreign Trade of SE.

Once the quantity to be imported is allocated under the TRQ, SE will issue the “*cupos*” to the authorized companies.

**FAS/Mexico Note:** This is NOT an invitation for bids to purchase selected dairy products. Rather, it is an auction of the right to import the listed product duty free. Thus, the auction is limited to Mexican companies within the dairy industry who use dairy products in their production process. Mexican importers who are granted the “*cupos*” will likely be looking to import products shortly after the auction is announced. U.S. milk powder will continue to be granted unlimited duty-free access to the Mexican market under the NAFTA.

**Important Dates**

- 1. Publication Date:** February 6, 2008.
- 2. Implementation Date:** February 7, 2008
- 3. Validity Period:** Up to December 31, 2008

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**Internet Connections**

*FAS Mexico Web Site:* We are available at <http://www.fas-la.com> or visit FAS headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

*Useful Mexican Web Sites:* Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx) and Mexico's equivalent of the Department of Commerce (SE) can be found at [www.se.gob.mx](http://www.se.gob.mx). These Web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.